

# **EXHIBIT C**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND DIVISION

COPART INC.,

Plaintiff,

vs.

No. C 07 02684 CW

CRUM & FORSTER INDEMNITY  
COMPANY, UNITED STATES FIRE  
INSURANCE COMPANY, and DOES  
1-10,

Defendants.

CERTIFIED  
COPY

---

AND RELATED COUNTERCLAIMS.

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DEPOSITION OF MICHAEL W. CARSON

San Francisco, California

Tuesday, May 20, 2008

Reported by:

DARCY J. BROKAW

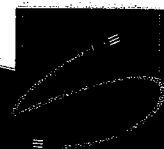
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1 going to start the deposition today by asking you  
2 about various subjects, topics that were in the  
3 Deposition Notice to the corporation, and I'll  
4 assume, based on your designation, that you're the  
5 most knowledgeable or that you're a knowledgeable  
6 person to talk about those.

7 If at any time I ask you a question you  
8 feel you're not qualified or knowledgeable to answer  
9 the question, just let me know.

10 At the end of the day, I may circle back  
11 and ask you some questions that are outside of the  
12 subjects, but they may end up encompassing all of my  
13 questions, so we'll see how it goes.

14 The first general area I want to ask you  
15 about is the history of the Miami side of what is  
16 considered Yard 105. And we'll first be talking  
17 about Copart's acquisition of the Miami property and  
18 then what was there when Copart bought it.

19 MR. RUBY: And we'll mark as Exhibit 51 a  
20 photograph.

21 (Defendant's Exhibit 51 marked  
22 for identification)

23 BY MR. RUBY:

24 Q Mr. Carson, have you ever been to  
25 Yard 105?

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1           A     Yes.

2           Q     More than once?

3           A     Yes.

4           Q     Approximately how many times?

5           A     Perhaps 30, maybe 40.

6           Q     Okay. Is Exhibit 51 a fair and accurate  
7 photograph of at least part of what Copart calls  
8 Yard 105?

9           A     Part.

10          Q     Okay.

11                All right. There are some railroad tracks  
12 in the photograph.

13                Do you see those?

14          A     Yes.

15          Q     And one of the tracks runs straight down  
16 the picture from top to bottom.

17                Do you see that?

18          A     Yes.

19          Q     Okay. Is that approximately where the  
20 line is between the City of Hialeah and the City of  
21 Miami?

22          A     I believe that to be the line, but I'm not  
23 sure.

24          Q     All right. Now, to the right of those  
25 straight tracks, you see there's sort of a fence in

1 the shape of a quarter or a quadrant of a circle?

2 A Yes.

3 Q Is that property sort of bounded by that  
4 fence part of Yard 105?

5 A Yes.

6 Q And there's a large building in the  
7 photograph?

8 A Yes.

9 Q Now, in this photograph, it appears that  
10 the roof has some damage.

11 Do you see that?

12 A Yes.

13 Q Is that some of the damage that was done  
14 by Hurricane Wilma?

15 A Partially.

16 Q So prior to Hurricane Wilma, the roof was  
17 in -- was not in that condition, correct?

18 A Correct.

19 Q Okay. Now, then to the left of those  
20 tracks that run down the picture, there's at least  
21 part of another yard.

22 Do you see that?

23 A It's the same yard.

24 Q Okay. To the left of the tracks, there's  
25 another fence, correct?

1           A     Yes.

2           Q     And there's a small building in the upper  
3 right-hand corner of that enclosed space?

4           A     Yes.

5           Q     Now, that fence, which we only see a part  
6 of here, that encloses another area that's  
7 considered part of Yard 105?

8           A     Yes.

9           Q     Were the two sides, that is, to the right  
10 of the tracks and the left of the tracks, acquired  
11 by Copart at the same time?

12          A     No.

13          Q     Which side was acquired first?

14          A     I didn't attend the closings, and I'm not  
15 sure of the date.

16          Q     All right.

17                   MR. RUBY: I'll mark as Exhibit 52 this  
18 contract for sale and purchase.

19                               (Defendant's Exhibit 52 marked  
20                               for identification)

21 BY MR. RUBY:

22           Q     Mr. Carson, you can just take a moment to  
23 leaf through the document and let me know when  
24 you're finished.

25           A     I'm finished.

1 BY MR. RUBY:

2 Q Okay. And this shows that the date of the  
3 deed was, in the first paragraph, "made this 31st  
4 day of May, 2002"?

5 A That's what it shows.

6 Q When was -- well, let me not -- what was  
7 your first involvement, if any, in the management of  
8 the Yard 105?

9 MR. LARSON: Vague and ambiguous as to  
10 "management."

11 BY MR. RUBY:

12 Q What was your first involvement of any  
13 kind with Yard 105?

14 A I flew in to visit the property before  
15 we -- before a contract to purchase the parcel to  
16 the west of the tracks, which would be the 20-odd  
17 acres situated in Hialeah that shows a small  
18 building on Exhibit 51. I don't recall the date,  
19 but I flew in with my boss to look at the property  
20 to determine whether it could be developed for our  
21 purposes.

22 Q Okay. Now, that visit to the site that  
23 would eventually become Yard 105, did that happen  
24 before Copart acquired the Miami parcel?

25 A To my knowledge, yes. But again, I wasn't

1 involved in the contracts closings or conveyance of  
2 the deeds.

3 Q When you went that first time and looked  
4 at the acreage in Hialeah, did you also inspect the  
5 existing facility on the Miami side?

6 A No. At that time, that property wasn't on  
7 the table for us, to my knowledge.

8 Q Okay. What was your first involvement,  
9 then, with the Miami parcel?

10 A Sometime after I visited the first time  
11 the 20-some acres with my boss and the decision was  
12 made to purchase the property, we set into motion  
13 applications for approvals, of which I was part of  
14 the process with the City of Hialeah on that piece.  
15 During that approval process, I received a call from  
16 my CEO telling me that the second piece, now shown  
17 as the piece to the east of Miami-Dade, was going to  
18 be on the table for us and that we were attempting  
19 to buy it.

20 Q Okay. Prior -- well, let me ask you this:  
21 When was the first time you ever toured or inspected  
22 the Miami piece?

23 A It was after I'd toured and inspected the  
24 Hialeah piece, but I don't have dates.

25 Q Were you asked to provide any comments on



1 the Miami piece before it was acquired?

2 A Yes.

3 MR. LARSON: Vague as to "comments."

4 BY MR. RUBY:

5 Q What were you asked to comment upon?

6 A I visited the property again with my --  
7 with my boss. We inspected it in the same manner as  
8 the nature that we inspected the Hialeah piece to  
9 determine the suitability of the development of the  
10 property as part of a facility.

11 Q Now, that first time that you inspected  
12 the Miami piece, could you describe how the building  
13 existed at that time? Or what was the building at  
14 that time?

15 A The Miami piece had on it the pictured  
16 damaged truck terminal in an undamaged state. It  
17 was operated by a tenant of the owner, called MCI  
18 Express. They were operating it as a truck  
19 terminal, truck terminal or courier service.

20 I toured the property on the outside and  
21 on the inside to determine the structure of the  
22 building, the location of the offices, what kind of  
23 shape they were in, examined the electrical panel,  
24 things of that sort, to see if it could be  
25 renovated.

1           Q     Can you describe what the interior space  
2     was like?

3           A     Yeah, the interior office space was rough,  
4     it was well worn, hadn't seen any cosmetic upgrades  
5     in quite some time. The bathrooms were dirty. The  
6     ceilings had a suspended grid ceiling; it was  
7     tarnished from dirt, air flow, cigarette smoke. The  
8     floors were pretty beat up. I don't recall -- I  
9     think the carpets in the office were pretty bad.  
10    All the walls -- not all the walls, but I remember  
11    the old-type paneling, like the '60s type stuff.

12                And then back past the office, where the  
13    office was developed, the back portion was actually  
14    the truck depot portion of it, and that was pretty  
15    messy. But it was functional; it was being used as  
16    a truck depot.

17           Q     Now, using the photograph as a reference  
18    and just using sort of right, left, top, bottom, can  
19    you tell me where in the building were the office  
20    spaces?

21           A     On the Miami portion?

22           Q     Yes.

23           A     The office spaces were located to the east  
24    end of the building, which would be to the right.  
25    The building is configured to be long and narrow,

1 but at the very right end, there's almost like a  
2 T-section going off to the north. That T-section,  
3 the entire portion below that and then proceeding  
4 back to -- I can't really tell from this picture,  
5 but someplace I'd say roughly a quarter back from  
6 that front entrance, the front wall was all office  
7 space.

8 Q Then moving sort of left across the  
9 photograph or west, from the offices, what were the  
10 existing spaces at the time of your inspection?

11 A There was one open area, used as a loading  
12 platform for a truck terminal, concrete floors,  
13 metal building, standard metal building  
14 installation, fluorescent lights.

15 MR. LARSON: Try to keep your hand away  
16 from your mouth.

17 THE WITNESS: Sorry.

18 BY MR. RUBY:

19 Q Okay. With respect, then, to development  
20 of the truck depot building, what ultimately became  
21 Copart's plan?

22 A Our plan was to renovate, renovate the  
23 building and make it into modern usable office  
24 spaces.

25 Q When was it in time that Copart adopted

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1 that plan?

2 MR. LARSON: Vague as to "adopted."

3 You can answer, if you can.

4 THE WITNESS: It was -- the plan was  
5 adopted when my CEO and I visited to determine the  
6 feasibility of developing the property, acquiring  
7 it.

8 BY MR. RUBY:

9 Q So during that first inspection by you and  
10 the CEO, you decided at that time that it would be  
11 feasible to renovate?

12 A Yes.

13 Q Now, we've looked at a warranty deed from  
14 May of 2002. When in relation to May of 2002, to  
15 the best of your recollection, did you first inspect  
16 the Miami piece?

17 A Mr. Ruby, I have to tell you that I'm very  
18 bad with the dates here. At any given time, I have  
19 anywhere -- at this particular time, I might have  
20 had as many as 30 construction projects going. Even  
21 now, I've got somewhere in the neighborhood of 20.  
22 And this was just another property for me. It had  
23 no special significance for visits in and out. So I  
24 really couldn't tell you with any certainty about  
25 any dates.

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1           The best I can tell you is I went there, I  
2 did this and it might have been around this time,  
3 but I can't tell you positively. If you need  
4 definite dates, I can go back and check my expense  
5 reports and tell you that, yes, I was there this  
6 weekend, and that's probably what I did.

7           Q    Could you narrow it down even to a year  
8 when you first saw the Miami piece, or first went to  
9 inspect it with your CEO?

10          A    I would say based on the contract for the  
11 property being January 15th, 2002, it was probably  
12 late 2001.

13          Q    So this first inspection with your CEO to  
14 determine the suitability of the site for  
15 development, this was before Copart had committed to  
16 buying the property?

17          A    I would say, yes, that would be my belief.  
18 Normally, we don't buy properties unless the CEO and  
19 I go look at it.

20          Q    At any time prior to the renovating of the  
21 building, were you asked by anyone at Copart to try  
22 to put a value on the existing building?

23          A    Before we purchased it?

24          Q    Well, let's start there.

25                Before the building was purchased, were

1 hole so it's uniform. It's minor cosmetic work.

2 Q Was the foundation raised for the  
3 renovations?

4 A R-a-z-e-d or r-a-i-s-e-d?

5 Q R-a-i-s-e-d.

6 A No.

7 Q So the preexisting concrete foundation was  
8 kept but simply repaired?

9 A Yes.

10 Q Okay. And the steel framing materials,  
11 distinguishing that from the sheet metal but the  
12 steel frame, was that maintained, as well?

13 A We didn't have to do anything to it.

14 Q Apart from the existing foundation which  
15 was retained and the existing metal framing which  
16 was retained, was the rest of the building  
17 essentially a new building at the end of the  
18 renovations?

19 A Very close. The interior was all new.  
20 The exterior was -- I can't remember if we did the  
21 entire building or not. There was significant  
22 resheeting going on. It appeared to be a new  
23 building, if it wasn't in fact new.

24 Q How much did the -- what was the total  
25 bill for the renovations of the truck depot?

1 A I don't recall.

2 Q Do you have any estimate whatsoever you  
3 can give me?

4 A I don't recall. Not to be obtuse. This  
5 is just many jobs past.

6 Q Were the renovations complete before the  
7 hurricane struck?

8 A Yes.

9 Q Had Copart started using the Miami piece  
10 of Yard 105 prior to the hurricane?

11 A Yes. The facility was completed and was  
12 taken over by our operations people, and the yard  
13 was open and being utilized for business.

14 Q Was there any sort of official opening  
15 date for the Miami piece?

16 A I wasn't involved in it. I just do the  
17 construction. When I'm done, I turn it over to the  
18 office; here it is.

19 Q On to the next project?

20 A That's it.

21 Q Okay. Can you give me any approximation  
22 in time as to when the renovations were completed?

23 A 2006.

24 Q Now, as I told you at the beginning, I  
25 know -- you know I'm not good with dates either, so



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1 I'm going to help you out whenever I can.

2 The hurricane was in October of 2005.

3 A We would have been totally complete and  
4 turned over to ops at least is 60 days prior to the  
5 hurricane. My turnover to ops is not an opening  
6 date. My turnover means construction is complete,  
7 the building is operational, we have heat, power,  
8 water, air conditioning. They -- other departments  
9 of our company are responsible for putting in the  
10 cubicles, the copy machines, the telephone lines,  
11 the computers. Usually that happens from 7 to 15  
12 days after I'm complete.

13 Q Okay. Were you involved to any extent in  
14 the permitting process for the renovations for  
15 Yard 105?

16 A Yes.

17 Q What was the nature of your involvement?

18 A I was involved in the whole approval  
19 process, going before the planning and zoning  
20 commission and the city council and the mayor to  
21 seek initial approval of the use of the property for  
22 our -- for our use to ensure proper zoning, to  
23 satisfy the conditions put upon us by planning and  
24 zoning to be able to obtain the permits and licenses  
25 that we could move forward with. And I attended at



1        Q     All right. If we could go back to that  
2        photograph which was the first exhibit that we  
3        marked today. It's 51.

4        A     Yes.

5        Q     Using that exhibit as a reference, sir,  
6        can you tell me first with respect to the truck  
7        depot building, what was the damage that you  
8        observed?

9        A     It was a lot more significant than this  
10       picture shows.

11       Q     Okay.

12       A     The roof damage shown in this picture was  
13       taken from an aerial of about 1,500 feet, and you  
14       can obviously see where the wind shear has taken  
15       back sections of the roof. What you can't see on  
16       the roof at that time was that there was a large  
17       portion of this roof that had become unsecured. The  
18       fasteners had ripped out of the rafters and purlins  
19       and actually were blowing in the wind, which in this  
20       picture, you can't see that. It's a flat portrait  
21       down.

22                 There was extensive water damage in the  
23       offices. Walls, brand-new drywall walls were  
24       soaked. The T-grid ceilings in many places had  
25       fallen through because of water and wind damages.

1     The carpets were soaked. The new cubicles and new  
2     furniture was ruined. Ceiling insulation from above  
3     the T-grid ceiling had soaked, entirely soaked  
4     through and fallen through, and just pretty well  
5     saturated a lot of things.

6             We had wind damage that had blown around a  
7     lot of the -- the overhead doors in the back of the  
8     building on both sides had actually been sheared off  
9     horizontally as if someone had come in with some  
10    pneumatic shears and sheared the doors off. Some of  
11    the doors had -- they were coiling doors; they were  
12    actually blown in and off.

13            There were vehicles stored inside the  
14    storage part of this truck depot building. Some of  
15    them were high-dollar cars. They had been damaged  
16    by flying debris. There were on the north side of  
17    the building, approximately right here,  
18    three-quarters of the way down the building,  
19    approximately right here on the inside of that fence  
20    were two brand-new Volvo L90D or L90E loaders used  
21    to transport the vehicles. They cost about 125-,  
22    130,000 bucks each. They had damage from flying  
23    debris, hurricane debris, both of those. There were  
24    several cars out in this storage area that were  
25    damaged by debris and moved around.

1           On the south side of the building, forward  
2 of the last, east-most overhead door, that entire  
3 wall section from that overhead door to where you  
4 see the blue trim above the office section, that  
5 entire wall section had been destabilized through  
6 the violence of the hurricane. The embeds that were,  
7 in the -- in the concrete foundation had been torn  
8 out such that there were cars actually parked there,  
9 and I made the people, after examining the building,  
10 move those cars. So I was pretty sure that wall was  
11 coming down.

12           I don't know the date of this picture, but  
13 I see the cars are parked there again. I don't know  
14 why the cars were there, but they were told to move  
15 them.

16           We had windows shattered, materials that  
17 had been stored in here for beginning the cars --  
18 when a car is damaged, you wrap the car in  
19 shrinkwrap, the high-dollar cars, and that was blown  
20 all over. There was debris all over.

21           The only thing that wasn't damaged was the  
22 fence, because it was engineered to 167 miles an  
23 hour. The building was in pretty bad shape.

24           Q     Okay. Did you solicit an engineering  
25 report from a Walter Lewis?

1           Q     Okay. I realize this may have changed  
2     over time, so we're just going to take it from  
3     beginning to end.

4           At the beginning of the aftermath of the  
5     hurricane, what initially was Copart's plan, if  
6     anything, for repairing or replacing the building?

7           A     Once Wilma had hit, I received a call from  
8     my CEO, telling me to get down there as fast as I  
9     could to determine how bad the damage was and to  
10    give him an analysis of the damage on the whole  
11    facility and also our Opa-Locka office facility.  
12    Opa-Locka had roof damage and water damage but  
13    nothing as severe as this.

14           I went down, I investigated this, I called  
15    Willis, my CEO, my boss, told them what I had, I  
16    told them at the time that I was visiting -- and  
17    this was right after the hurricane -- I was unable  
18    to determine without further work or moving things,  
19    looking at things, inspecting things, testing  
20    things, if the building could be saved, but my gut  
21    reaction was that it could. I asked him if I could  
22    then hire a professional engineer, a structural  
23    engineer to come in and validate or invalidate what  
24    I thought about the building.

25           I hired Walter Lewis under the

1 recommendation of Kimley-Horn, which had been our  
2 engineers nationwide. They had an office in the  
3 area, had done work there.

4 Walter Lewis came in, gave me this report;  
5 I got it, I forwarded it on to my boss. He said,  
6 what's it going to cost to fix? And I don't  
7 remember the number. The number was somewhere --  
8 somewhere around 825- to 850,000 bucks, in my best  
9 guess at the time, without any real doing any  
10 further analysis on it. He said, do what you have  
11 to do and let me know.

12 I got on a plane, whichever day that was.  
13 It was towards the end of the week, Friday or  
14 Saturday. I went home, I got a call, I think on my  
15 voicemail. Friday night, before I got home, or  
16 Saturday or Monday, I got a call from Mike Fadhel,  
17 the general manager, and Dan Hamlin, the regional,  
18 and they both called me and said that Miami-Dade  
19 Building Department had been in and condemned the  
20 building and put up do-not-enter signs, condemned  
21 building, blah, blah, blah, blah, blah.

22 I went down there, got back on a plane,  
23 went back down there, talked to Miami-Dade, and they  
24 basically said, the building is condemned, it's got  
25 to come down; you've got 30 days from the date we

1 plastered on the door to take the building down. I  
2 reported this to my boss. He said, do we have  
3 options? I said no.

4 I called TBT, because they had just  
5 finished this building within a matter of weeks, and  
6 said, get down here, pull a demo permit, take the  
7 building down, I want it down in 30 days, I don't  
8 want any hassle with Miami-Dade.

9 I believe that Russell Couvian,  
10 C-o-u-v-i-a-n, and Trey Rogillio, R-o-g-i-l-l-i-o,  
11 from TBT flew down the next day. They met me on the  
12 site, we went through it. I said, take it down;  
13 whatever it costs, take it down. Russell Couvian  
14 went to Miami-Dade Building Department to pull a  
15 demolition permit.

16 They wouldn't give it to him. They were  
17 swamped. I mean, they had so much damage there that  
18 they were just swamped. He was there for, I don't  
19 know, approximately three to four weeks, basically  
20 hounding the building department to get the demol  
21 permit, because I was hounding him.

22 We had 30 days, we had a set date it had  
23 to be down by. It turned out we got the building  
24 demolition permit, I don't know the actual dates,  
25 but it was quite some time later. It could have

1     been two months later that we actually got the  
2     building permit, the demolition permit to take the  
3     building down. When we got the permit, they were on  
4     it the next day, taking it down.

5             So any rehabilitation or repair or  
6     rebuilding of this building was foreclosed as an  
7     option to us by the actions of Miami-Dade, and those  
8     actions were not appealable.

9             MR. RUBY: This will be 69.

10                     (Defendant's Exhibit 69 marked  
11                     for identification)

12     BY MR. RUBY:

13             Q     Sir, is Exhibit 69 the invoice you  
14     received from TBT for the -- first of all, for some  
15     salvage expenses?

16             A     It's a copy of it, yes.

17             Q     Okay. We're going to see, I think, more  
18     than one salvage invoice, but let me ask you: What  
19     salvage work did TBT do?

20             A     They entered the building and tried to  
21     salvage any equipment that was salvageable. I think  
22     they got the switch box -- the switch box,  
23     electrical box, main electrical panel box. They got  
24     the outside heat pumps, which on Exhibit 51 would  
25     have been on the north side, right about where that



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1 the elements, try to salvage whatever you can,  
2 particularly the high-dollar things, like the  
3 breaker box, which is high buck, and then whatever  
4 else you can salvage that might be reused.

5 And then the second thing is actually  
6 doing the heavy work and getting the stuff down  
7 safely and out of there.

8 That's all I remember. I mean, if there's  
9 another ancillary invoice for a few thousand bucks,  
10 it's possible, but that's pretty much it.

11 Q Once the building came down because of the  
12 condemnation order, what then became the plan, if  
13 any, for the restoration of operations at the site?

14 A Okay. This is pretty much simultaneous  
15 with the 48-hour 72-hour period after I hit the  
16 property, after Wilma, I was also doing this. The  
17 first imperative was, one, safety of our people and  
18 our customers; and that involved analysis of this  
19 building and what would happen with it.

20 The second imperative was to get us back  
21 up and get open as soon as we could, because it's  
22 now a catastrophe area and you're going to have  
23 thousands and thousands of claims of all kinds. So  
24 I brought in these two rent-a-trailers and had them  
25 placed on the site. This trailer was -- they were



1 actually side by side.

2 You know what, there might have been three  
3 trailers. I can't -- I don't have the memory of  
4 this, but there were these two and there might have  
5 been a third one. There might have been a third  
6 trailer. I'm not sure about that, Mr. Ruby, but at  
7 least two, and I think -- they were put in like  
8 this. One -- two of them were for just insurance  
9 company adjusters to come in, and the other was for  
10 our office. And if I'm mistaken about the three,  
11 then I'm mistaken, but there were at least two.

12 I got those, expedited them, because we  
13 had a national account with the leasing company, and  
14 they brought them in from out of state because there  
15 were no trailers, no emergency trailers. They  
16 brought them in, and then it was pretty much a lot  
17 of elbows. We had to get them hooked up; we had to  
18 run power. In fact, you can see the trench right  
19 there, running power to these from the old building.  
20 We ran the power here, and we ran from here to the  
21 street sewer and hooked them up to get them going.

22 Once I got them up and operating, we had  
23 MIS people come in, because the whole operation runs  
24 off computer and phone. We had those people come in  
25 and try to interface with the telephone, had the

1 telephone company to get the phone systems, get the  
2 computer systems up, things of that sort. So I had  
3 electricians, plumbers, and I had trailer people in  
4 here doing that kind of stuff.

5 We didn't permit -- we were right in the  
6 middle of the fiasco with the people in Miami-Dade,  
7 trying to get the demolition permit, so I just  
8 said -- I said forget it, just put the trailers in  
9 and get them hooked up, and we'll fight the  
10 rear-guard action for permits for power, sewer,  
11 stuff like that.

12 We got them in, and then the next plan was  
13 to attempt to rebuild the building. Our option  
14 to -- to put the new building. Our option to  
15 rebuild was closed by the condemnation. To realign  
16 this yard and put a new building in, I don't -- I  
17 don't have that authority within my purview. My  
18 boss has to come in with me and physically walk the  
19 property. We have to look and do some measurements  
20 on the ground and say what new building are we going  
21 to put in and where would it fit and how many feet  
22 do we have from here to here, where is the parking  
23 going to be, where is our drop lock going to be,  
24 just operational type of things that affect how we  
25 put the property back together. He wasn't able to

1 come right away. I don't remember when he did come.

2 It was sometime.

3 In the meantime, I guess we were getting  
4 complaints about these temporary modulars, and a few  
5 months went by, and the decision was made to buy a  
6 double-wide modular and put it in there, because we  
7 knew by the time we got the site oriented and  
8 located to put up a new building, by the time we  
9 designed the new building internally, by the time we  
10 went to an architect and an engineer and did all of  
11 the drawings and did the back and forth with that,  
12 and then by the time we made application to go  
13 through the approval process and go through each and  
14 every one of the departments, it would probably be a  
15 couple of years.

16 This is not a situation where you walk  
17 into Miami-Dade and say, here, here's my drawings  
18 and I need a building permit in six weeks. What  
19 happens there is an architect draws it, it comes  
20 back to me for markup, there are all the drawings,  
21 the drawings go to my boss, he fine-tunes things; we  
22 send them back to him, we go through that process.  
23 The building itself has to be engineered by the  
24 metal building company. They have to do actual  
25 engineering for wind load, deflection, all kinds of

1 that you have from TBT?

2 A Yes.

3 Q Is it based on the plans that have been  
4 developed by Mr. Liven?

5 A Yes.

6 Q Has Copart -- let me back up.

7 Is this an estimate that you requested for  
8 informational purposes, or is this an estimate that  
9 you solicited as something you may actually sign off  
10 on?

11 A I'm in the process of building the  
12 building now. We're going through the approval  
13 process. It's my intent to negotiate a contract  
14 with TBT. So to know if we even have any common  
15 ground, I had to first get a firmer price from them  
16 based on the most current drawings from Dov Liven.  
17 If the number had been astronomical, we'd have no  
18 common ground to talk. But I had to have a number  
19 based upon those drawings.

20 So they gave me this number, and I went  
21 through the exercise, coupled with the number I got  
22 from my architect, who's a knowledgeable source,  
23 although he's not a construction guy, and then I did  
24 some Means work based on current Means estimates per  
25 square footage in Miami-Dade, Florida, of my own,

1 and then I did an analysis, which would be Exhibit  
2 80, to see where my guys are on this and to see what  
3 this project is going to really cost me.

4 And this really has got nothing to do with  
5 the insurance claim from my end. This is my work  
6 product for my new building that I'm building. It  
7 may affect what we're doing, but that's what I was  
8 doing it for.

9 Q This estimate or this document which is  
10 Exhibit 75, do you consider this to be now a quote  
11 from TBT? In other words, they're offering to do  
12 the work for this price? Or is this some sort of  
13 preliminary document, and the number could still go  
14 up?

15 A The number won't go up.

16 Q Okay.

17 A I think it's a workable number, but it's a  
18 sales number, too, a little bit. It's reasonably  
19 close, so we have common ground. But if I go in to  
20 buy a Mercedes and the salesman says 80 and I say  
21 60, then at some point between 80 and 60, we're  
22 going to come to an agreement.

23 So what I was doing was verifying their  
24 square-foot price using independent other means to  
25 do that. So yes, it's a realistic semi bid, prebid,

1 pile.

2 Okay. CPT90 is a purchase order by  
3 Copart, and it's described as a purchase order for  
4 "repairs to damaged shop." And if we look at the  
5 next document, which is CPT91, that appears to be  
6 the invoice from TBT.

7 So are these two documents, 90 and 91,  
8 relating to repairs to the building on the Hialeah  
9 property?

10 A Yes, the 50-by-20 shed. Cosmetic damage,  
11 no structural damage.

12 Q We haven't talked about that damage. But  
13 in addition to the hurricane damage to the truck  
14 depot, there was some damage to the Hialeah shed?

15 A Yes. It's shown in your picture, on  
16 Exhibit 51.

17 Q Is it?

18 A Yeah. And again, this is a flat lookdown.  
19 You can see the roof.

20 Q Okay.

21 A See that?

22 Q Yes.

23 A And you see that there?

24 The damage was the wind was prevalently  
25 from the west, and you can see damage like this, the

1 wind got under the EIFS and pulled off that roof.  
2 It also peeled off vertical sheet metal on this and  
3 damaged the overhead doors, like it did over here.

4 Q All right. So I want to make a new pile  
5 for that. We'll call it the Hialeah building. And  
6 if you could put 90 and 91 in that pile.

7 Okay. Exhibit -- or page 92, Central  
8 States Construction Company, billed to Mike Carson.  
9 What is this for?

10 A On initial, without checking into it  
11 thoroughly, I had hurricane damage on the fence. It  
12 wasn't significant. 10 grand is minor. But I had  
13 damage to the gates and things like that, and they  
14 had to be repaired or replaced. And again, this is  
15 the white panel metal fence; and it's an engineered  
16 fence, it's not simply a slap-up white metal panel  
17 fence. It's an engineered fence.

18 But this really was nominal. I forgot  
19 about this. This was nominal damage. This was  
20 nothing.

21 Q Can you show me in Exhibit 51 where the  
22 damage was to the gates for the fence?

23 A I don't think there's a snowball's chance  
24 in hell I can show you.

25 Q Can you show me the general vicinity?



1           A     You got me cold there on that one. I've  
2 got to stop and think. And we can check real quick,  
3 but I think on the original office renovation plans  
4 that you have a copy of, I think -- and again,  
5 Mr. Ruby, this is many, many jobs ago. I think that  
6 this little wing part of the "T"; I think that was  
7 designated for insurance people. If you can pull  
8 out those plans, I'm pretty sure that that's what  
9 that was for, but I'm not positive.

10           Q     Let me make sure I've got the right plans.

11           A     No. You need the one that had the MADFIS,  
12 the architects on it.

13           Q     Did we mark that as an exhibit? Maybe you  
14 have it here.

15                     MR. LARSON: 54.

16 BY MR. RUBY:

17           Q     So looking at Exhibit 54 --

18           A     Yes. Okay, here. This is that "T" part  
19 of the building.

20           Q     Right.

21           A     Insurance offices. So you would have had  
22 the adjusters in there. How many, I don't know.

23           Q     Okay.

24                     All right. Now, the decision to -- well,  
25 first of all, as I understand your testimony, the



1 double-wide trailer was purchased to replace the  
2 single-wide trailers?

3 A Well, they were non-permitted,  
4 non-allowed, illegal trailers. We stuck them in  
5 there on an emergency basis after the hurricane  
6 because we had to operate. So I think I testified  
7 we stuck them in there. I said, don't go down  
8 there, don't get permits; stick them in there, let's  
9 get them hooked up, and we'll fight a rear-guard  
10 action if we have to. We did that. My memory is  
11 three, it may have been.

12 But at some point, we're just packed  
13 because you're taking all the people out of there  
14 and here, and these are pretty much intolerable  
15 conditions. You have an air conditioning unit that  
16 comes with a single-wide trailer versus a heavy-duty  
17 BTU HVAC air conditioning system. And now they're  
18 stuck with a one-row and crap single-wide, old air  
19 conditioning, and this is Miami, Florida; it's very  
20 uncomfortable. There's no room, and there's not  
21 enough room for the people. That's why we brought  
22 the double-wide in.

23 Even now, it's probably on me because of  
24 the delays, and I get blamed for not having the  
25 building done, but even now, the double-wide is

1 packed and it's way too small.

2 Q So the single-wides have been sent back,  
3 right?

4 A No. Yes. There's one for sure left. And  
5 I think it's being used as insurance offices.  
6 Because there's no room in the double-wide for any  
7 insurance people. There's no room for nothing.

8 Q At the time Copart ordered the double-wide  
9 trailer -- we saw it earlier, a February '06  
10 delivery -- at that point in time, February of '06,  
11 when that was ordered, how long were you  
12 anticipating it would be before a new building was  
13 up?

14 A Two years. It sucks down there. The  
15 approval process sucks. And if I pulled every magic  
16 string I've got, it's still going to be two years.  
17 It doesn't matter who it is or what kind of building  
18 it is. They're just tough.

19 It's the same thing here in this city. If  
20 that building right over there came down from an  
21 earthquake, you've got a natural catastrophe, your  
22 building department is swamped now, try to go back  
23 in San Francisco and go through planning and zoning  
24 and go through the building department and rebuild  
25 that building and talk about anything less than that